

BAYSHORE SANITARY DISTRICT
MINUTES
Meeting of October 28, 2021

Opening of Meeting and Roll Call:

The meeting was called to order at 7:03 P.M. As permitted per State of California Executive Orders N-29-20 and N-08-21 the meeting of the Bayshore Sanitary District was conducted via Zoom. Members of the public were invited to join the meeting. The information on how to join the meeting was included in the posted agendas.

Present: Constantino, Gallagher, Rizzi, Swanbeck, Tonna
Absent: None
Staff: Maintenance Director Landi, Engineer Yeager, Counsel Hundley and District Clerk Landi
Also: Steve Reilly and James Hamill

The agenda was taken out of order.

Staff Reports:

- (13) District Counsel – consideration of matters relating to:
(a) Resolution No. 2021-06, a resolution addressing remote Board meetings: A motion was made by Director Swanbeck and seconded by Director Constantino adopting Resolution of the Board of Directors Finding Proclaimed State of Emergency and That Meeting in Person Would Present Imminent Risks to The Health or Safety of Attendees and Authorizing Meetings By Teleconference of Legislative Bodies. The motion was passed by roll call vote:
Ayes: Constantino, Gallagher, Rizzi, Swanbeck, Tonna
Noes: None

New Business:

- (16) Point Martin Statewide Community Infrastructure Program (SCIP) financing presentation by James Hamill and Steve Reilly

Mr. Hamill made a presentation to the Board in December; however, this is a different financing program. Mr. Reilly, a consultant for the developer, provided an overview of the project. Work is currently underway to stabilize the hillside with model homes expected to be ready toward the end of 2022. Construction of 122 market rate and 11 below market rate homes will begin in 2023. SCIP is a financing program offered through the California Statewide Communities Development Authority (CSCDA). SCIP is important because the development costs are quite expensive estimated at about 80 million dollars. They have agreements with Daly City, school mitigation agreement with the elementary and high school district and are beginning to work with the SFPUC.

Mr. Hamill shared the screen and went through his slide presentation. The program started in 2002 to pay fees for public improvements. Any costs that are not financed are passed onto the future homeowners. If the Board wishes to proceed they would have to join

CSCDA – there is no charge. Also a public hearing would be held and a resolution considered. The CSCDA conducts all the proceedings and handles administration. The Board declined the earlier funding mechanism because the financing proceeds had to be used within 3 years and there was no capital project identified which would fulfill that requirement. The bonds proposed this time are taxable which relieves that 3 year requirement.

The staff costs are reimbursable through the financing. The connection fees for the 136 homes would be paid in full; however, the permit fee for each property would be on an as-they-go basis. An advantage is that this land financing is done at a lower interest rate which ultimately benefits the affordability. Engineer Yeager said that once a connection fee is paid the parcel is subject to the minimum sewer service charge fee and it would be placed on the tax rolls in the next fiscal year. He added that the developer is aware of all the terms and District requirements so from an engineering standpoint he has no concern. With regard to staff time and publishing fees, that would be a line item expense and not part of the bond.

There was consensus to move this along so this matter will be placed on the November meeting agenda.

Oral and Written Communications: (Concerning matters not on the Agenda; no action will be taken nor will extended discussion be permitted.)

- (1) Communications from members of the public
None
- (2) Communications from members of the District Board and Staff
None
- (3) Acknowledgment of recent correspondence to the District
We recently received the annual notice from the County with regard to the anticipated property tax revenue to be distributed to the District.

Consent Agenda: (Any member of the Board or the public can request that an item be removed from the Consent Agenda. If there are no objections all items are voted upon by one motion.)

- (4) Minutes of the Regular Meeting September 23, 2021
- (5) Payment authorization for bills and compensation
- (6) Accept September, 2021 report on District's current financial status
- (7) Accept September, 2021 checking account reconciliation

A motion was made by Director Swanbeck, seconded by Director Constantino and passed unanimously by voice vote to approve consent items 4 – 7.

Board Reports – consideration of matters relating to:

- (8) President Gallagher
 - (a) LAFCo: No report.
 - (b) CSDA – Local Chapter: No report.
- (9) Daly City: No report.

(10) Brisbane: Director Swanbeck let the Board know that she will be attending a remote meeting re the Schlage Lock development.

Director Swanbeck is also going to attend a remote electricity sector technical workshop hosted by the California Air Resources Board.

Staff Reports:

(11) Maintenance Director – consideration of matters relating to:

(a) Monthly report on District operations and maintenance: During the weekend storm multiple alarms were received via the SCADA system. Some were false alarms and he is working with Tesco to correct issues. Carlyle Pump Station received 3,614,000 gallons of wastewater and 6.8” of rain. The average pump run time on a weekend is 2.4 hours a day. During the storm the rate was 41.3 hours. All 4 pumps were running.

Conducted a final inspection of the Habitat for Humanity project on Geneva Avenue. They are now working on the interiors of the units. North San Mateo County Sanitation District notified the Maintenance Director about two service requests not involving an overflow. Both property owners were advised to call a plumber.

(b) Flowmeter replacement: See (12)(o) below.

(12) District Engineer – consideration of matters relating to:

(a) September meter reading data: The average daily flow was 234,452 gallons.

(b) 2019-20 CIP: Discussed under 11(a). Tesco provided a manual and the Engineer needs to review it with regard to the pressure gauge. Tesco claims that we did not order the correct pressure gauge.

(c) Midway Village: An industrial discharge permit was issued to handle ground water. Engineer Yeager accepted their final submittal.

(d) Bridge Housing – Carter & Martin Streets: The Engineer attended a zoom meeting with Daly City Planning & Zoning. This project is on the hillside around the former Geneva Drive property. It will have market rate and low income housing. There will be about 500 dwelling units by various developers in this area. They need to develop a utility master plan.

(e) 2321 Geneva Avenue: Attended a zoom meeting with Daly City. The Engineer reviewed the exhibits included in his monthly report which were provided to the Board prior to the meeting. There are two separate parcels with 7 lots in this development. Two lots are on Castillo and are District customers. The District/San Francisco boundary line runs through the project but the APNs are all San Mateo County. The Engineer and Maintenance Director found an odd situation with regard to the sewer line. At the intersection of Pasadena and Geneva there are 2 catch basins connected to the sewer line and then the line goes down Geneva Avenue to a combined sewer. When you get to Castillo and Geneva the line turns north and goes back into San Francisco but there are two District customers connected to the line. Several years ago San Francisco reconstructed the Castillo line all the way to Geneva which is in the District. The question is who owns what. It becomes important because there is a significant sewer service charge associated with this property. The piece on Pasadena is a San Francisco line. The Castillo line would be a District line since we have two customers connected to that line. This development connects into the Castillo line. The District ordinances don't allow for combined discharge unless the condition existed prior to 1987. The Maintenance

Director found a 1968 map which indicates that all the lines in this area were combined sewers. The District's position has been if it's a property in San Mateo County, it's a District customer. One exception to that is the See's Candy property. It appears that the line on Geneva Avenue is an "orphan" line. The preliminary utility plans indicate the sanitary and storm line coming from the building connecting on Castillo. Engineer Yeager believes the line should be televised to check the structural condition. He and the Maintenance Director will discuss this further and bring the matter back in November.

(f) Habitat for Humanity, consideration of Resolution 2021-07 accepting sanitary sewer extension: All inspections have been made. A motion was made by Director Tonna and seconded by Director Swanbeck to adopt the Resolution Accepting Maintenance Obligation and Control of The Common Sewer Line Serving The Habitat For Humanity Development in Daly City. The motion passed by roll call vote:

Ayes: Constantino, Gallagher, Rizzi, Swanbeck, Tonna

Noes: None

(g) 1067 Schwerin Street: There is a proposal for a detached ADU on the property. No plans have been submitted for water or sewer service. Daly City has been advised that we need to see a utility plan.

(h) 55 Calgary Street: All fees have been paid.

(i) PG&E groundwater discharge permit: PG&E has requested a permit for the Martin Service Center for miscellaneous projects in the future; it was approved.

(j) PG&E Egbert transmission line: This is another ground water discharge permit. A new substation is being constructed in San Francisco and this ties facilities together including the Martin Service Center with transmission lines running in two places in the District. They have been advised that they also need a separate Class 4 permit.

(k) North San Mateo County Sanitation District Maintenance Contract: They have no objections to the amendment and have signed and returned to the District. It is now ready for President Gallagher's signature.

(l) Sewer System Management Plan (SSMP): No report.

(m) Jurisdictional boundaries: A GIS map was provided to the San Mateo County Elections Division.

(n) Capacity Entitlements: There are two businesses that exceeded their permitted discharge. One is at 10 Industrial Way next to the Station. The charge is \$14,202.24 even though the building has been unoccupied. We have been investigating this and working with the owner. For the 2 month period ending June 15 there were 2 units used. For the 2 month period ending August 15 there were over 100 units used. We will delay the billing and continue to investigate. It was suggested to the owner that the outside faucets be disengaged. The second property is at 200 Industrial Way. They used 356 units over their entitlement and were billed \$6,076.22. The property is owned by Sunquest and Engineer Yeager has been in contact with the property manager. The business has installed a new machine that uses high pressure water to cut metal. This may be considered an industrial discharge. The SFPUC was advised and will inspect the business to determine if it is an industrial discharge. An invoice will be issued since the water has been used.

(o) Telstar contract: After reviewing the proposal Engineer Yeager had some questions. He received a response today but still has one question regarding the disposition of the old equipment. Telstar advised that the isolation valves may not be working. The Maintenance Director has contacted Pump Repair Service who will visit the station next week.

(p) SFPUC FY 2021-22 sewer service charge: This is in regard to the current fiscal year billing. The Engineer has not gone through the entire report but has found something of concern. It pertains to the redevelopment of Treasure Island (TI). This project will include a wastewater treatment plant. He doesn't think it is appropriate to continue paying anything related to TI and advised Erin Franks of this via email on October 14. He has not yet received a response. He questioned maintenance charges for the TI plant. As best as Mr. Yeager can tell we will be charged for some expenses associated with the TI plant even though our wastewater would not be diverted to TI.

Engineer Yeager said we should pay the first installment of the charges with a letter saying that we reserve the right to adjust the total due in the future. He reiterated that he doesn't think it is appropriate for the District to be billed for TI.

(q) FY 2020-21 sewer service charge: No report.

(13) District Counsel – consideration of matters relating to:

(a) Resolution No. 2021-06, a resolution addressing remote Board meetings: This item was taken out of order, see page 1.

(14) District Clerk – consideration of matters relating to:

(a) Tri Counties Bank: The Clerk spoke with Sara Watson on Wednesday. She advised that, unfortunately, the bank doesn't have anything to offer that would generate a better rate of return. She said if we are interested she could arrange for someone from the investment side of the bank contact us. The Clerk will follow up with Sara and also get some information about County Treasurer investment products.

Old Business:

(15) FY 2020-2021 audit

President Gallagher spoke to Michael Fink and he advised that the final audit was being mailed. She asked if FY 2021-22 audit could include an explanation from the Engineer with regard to depreciation. It doesn't appear that it would be a problem to do so.

New Business:

(16) Point Martin SCIP financing presentation by James Hamill and Steve Reilly

The presentation was taken out of order and can be found on pages 1-2. Counsel Hundley will review the packet that will be provided by Mr. Hamill and we will consider this matter at the November meeting.

(17) Special District Leadership Foundation

President Gallagher asked if any director was interested in pursuing the programs available. It seems that SDLF is often mentioned in grand jury reports. These programs are costly and time consuming.

(18) Reports on other matters: no action will be taken

None

Closed Session:

The Closed Session began at 9:08 P.M.

(1p) Significant exposure to litigation pursuant to §54956.9(b): one case

The closed session ended at 9:33. There is no reportable action.

Adjournment:

The meeting was adjourned at 9:35 P.M. The next regular meeting is November 18, 2021 at 7:00 P.M.

Submitted by, Joann Landi

/s/ Iris Gallagher
President

/s/ Norman Rizzi
Secretary